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WIRELINE COMPETITION BUREAU REMINDS CONNECT AMERICA PHASE I ROUND TWO SUPPORT RECIPIENTS OF DEPLOYMENT AND CERTIFICATION DEADLINES

WC Docket No. 10-90

As the Connect America Phase I incremental support program comes to a close, the Wireline Competition Bureau (Bureau) reminds recipients of such support that they must complete deployment of broadband-capable infrastructure to all required locations and be offering service meeting the Commission's requirements for Phase I within three years. The relevant date varies by carrier because the date of acceptance Round Two funding varied by carrier.

Certification that a carrier has fulfilled its Phase I obligations is not due until the annual report following the three-year deadline. Each recipient of Phase I Round Two support must therefore certify by July 3, 2017 that it completed deployment to all required locations and was offering service by the relevant three-year deadline. USAC will be verifying for each company that service was offered as of that deadline. The Bureau reiterates that recipients should be prepared to produce documentation upon request during the verification process that the reported locations were in service by the three-year deadline.⁴

Finally, as the Commission stated in the *USF/ICC Transformation Order*, if the carrier fails to meet its Phase I obligations, it "will be required to return the incremental support distributed in connection with that deployment obligation and will be potentially subject to other penalties, including additional forfeitures, as the Commission deems appropriate." To the extent a carrier fails to certify

¹ 47 CFR § 54.312(c)(9).

² See Wireline Competition Bureau Announces Deadlines for Connect America Phase I Round Two, WC Docket No. 10-90, Public Notice, 29 FCC Rcd 11445 (WCB 2014). For Alaska Communications Systems, Hawaiian Telcom, and Puerto Rico Telephone Company, the deadline was October 31, 2016. See Over \$32 Million of Connect America Funding Authorized to Connect Unserved Homes and Businesses in Alaska, Hawaii, and Puerto Rico, WC Docket No. 10-90, Public Notice, 28 FCC Rcd 14896 (WCB 2013). For CenturyLink and FairPoint, the deadline is January 10, 2017. See Connect America Fund, WC Docket No. 10-90, Order, 29 FCC Rcd 181 (WCB 2014) (for FairPoint, January 10, 2014 is the date the Bureau resolved outstanding challenges impacting FairPoint). For AT&T, Frontier Communications, and Windstream, the deadline is March 14, 2017. See Additional \$16.7 Million in Connect America Phase I Support Authorized, WC Docket No. 10-90, Public Notice, 29 FCC Rcd 2824 (WCB 2014) (like AT&T and Windstream, Frontier Communications conditioned its acceptance on the outcome of the challenge process; March 14, 2014 is the date when funding was finalized, after Frontier Communications opted not to accept additional funds).

³ See 47 CFR § 54.313(b)(1) (July 1, 2017 is a Saturday; under 47 CFR § 1.4(j), the due date falls on the following Monday).

⁴ Wireline Competition Bureau Provides Guidance to Connect America Fund Phase I Incremental Support Recipients Regarding Validation of Compliance, WC Docket No. 10-90, Public Notice, 31 FCC Rcd 5728, 5730 (WCB 2016) (Phase I Public Notice).

⁵ Connect America Fund et al., WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17721, para. 147 (2011) (USF/ICC Transformation Order), aff'd sub nom. In re:

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compliance with the requisite deadline, it must provide USAC information sufficient to determine the amount of funding to recover.⁶ As previously noted, USAC will recover funds from the carrier on a perlocation basis in the month immediately following the failure to certify compliance with that deadline.⁷

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FCC 11-161, 753 F.3d 1015 (10th Cir. 2014); see also Connect America Fund et al., WC Docket No. 10-90 et al., Order, 27 FCC Rcd 8141, 8142, para. 4 (WCB 2012) (clarifying how to calculate the amount of support a carrier must return for failing to meet its deployment requirements).

⁶ Because carriers were able to accept funding for some locations at \$775 per location and other locations at \$550 per location, in conjunction with the July 2017 Form 481, carriers must clearly identify the number of locations falling into each category that they seek to count towards their deployment obligation. *Phase I Public Notice* at n.10.

⁷ Phase I Public Notice.